

Calendar No. 42

82D CONGRESS }
1st Session }

SENATE

{ REPORT
No. 44

COMMUNICATIONS ACT AMENDMENTS, 1951

JANUARY 25 (legislative day, JANUARY 8), 1951.—Ordered to be printed

Mr. McFARLAND, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

[To accompany S. 658]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 658) to further amend the Communications Act of 1934, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The committee desires to emphasize that the bill (S. 658) here reported is identical with bills heretofore passed by the Senate unanimously on two occasions. These two bills were S. 1973, previously reported by this committee on July 21, 1949, and passed by the Senate on August 9, 1949, by unanimous consent; and H. R. 4251 which was reported July 25, 1950, and passed the Senate amended on July 26, 1950, by unanimous consent. The legislation deals solely with structure of the Commission and its administrative and appellate procedure. This entire field long has been the subject of severe criticism by special and select investigating committees of the Congress and currently is the subject of study by a subcommittee of this committee as well as by a House committee.

The provisions of this bill here recommended received the unanimous approval of every broadcasting interest who testified before this committee when open hearings were conducted on S. 1973, and at the same hearing the majority of the provisions here recommended were also favored by the Commission itself.

It should be noted that no attempt has been made in this legislation to deal with any changes in policy affecting radio or television broadcasting, nor policies affecting common carriers by radio or telegraph. Your committee is well aware that extensive testimony has been offered in the past and numerous recommendations made, including some by this committee, with respect to such policy matters. While the committee does not close the door to such policy provisions, it desires to point out that studies on these points are being further pursued; in the field of radio the subject of most pressing importance today is the functioning of the Commission.

It is important to note that this bill is the end product of more than a decade of congressional investigations, studies, hearings, and reports by committees in both Houses of Congress. This committee alone, in the past 7 years, has held more than 45 days of hearings on the general subject of changes in the Communications Act, during which 145 persons have testified and some 800 others submitted statements. Those hearings cover more than 3,700 pages of printed testimony. Moreover, a majority of the committee have been personally closely identified with extended hearings and legislative recommendations herein referred to. Because of the long history of hearings and legislative recommendations herein referred to before it, the committee was strongly of the opinion that additional open hearings were not necessary at this time. They unanimously endorse the bill here recommended as a necessary first step in any changes in the Communications Act of 1934.

The committee desires to call particular attention to the amendment to section 4 (g) of the Communications Act of 1934, as amended. This proposal has been urged by the Commission as being particularly necessary now because of the current international situation. The Federal Communications Commission's radio monitoring activities are of foremost importance in periods of international tension and they have pointed out that the immediate extension of this activity is deemed essential by the defense forces. The Federal Communications Commission, on January 10, 1951, forwarded a letter to the United States Senate requesting "urgent and immediate consideration of the Senate for an amendment to section 4 (g) of the Communications Act which would authorize the Commission to expend funds in connection with its radio monitoring services." The reasons for the Commission's recommendation that section 4 (g) be amended to authorize the Commission to purchase land and to construct buildings for monitoring and research activities is that the Commission has been informed by the Bureau of the Budget that the present language affords insufficient authority for making expenditures for such activities, and that consequently any authorization for activities in the Commission's budget was, in the absence of special authorizing legislation, subject to being stricken by a point of order. Accordingly the Commission's budget for the last 3 years, including that for the fiscal year 1952, contained no authorization for improvement of the Commission's monitoring activities. The Commission contends that strategic territorial placement of monitoring stations is at a minimum. For example, the

United States operates only one station in Alaska and one station in the Hawaiian Islands. The committee is convinced of the need for this authority and believes that enactment of this provision should be expedited.

The bill here recommended is, in the committee's opinion, an essential legislative step forward in bringing about improvements in the administrative functions of this vital agency and the committee believes that immediate action is necessary in order that the Federal Communications Commission can competently and adequately execute its functions under the Communications Act.

The sections of this bill were carefully analyzed in Senate Report 741, which accompanied S. 1973 and Senate Report 2119 which accompanied H. R. 4251, and the appropriate text of these reports unchanged are appended herewith.

PURPOSE OF THE BILL

The principal objective of the bill as amended is to clarify the meaning and intent of the Communications Act of 1934, as amended. It is designed to remove ambiguities; to make definite and certain administrative and legal steps and procedures in the interest of the expeditious handling of both license applications and the rule-making function; to separate, as far as is administratively possible, the prosecutory and judicial functions of the Commission; to provide for administrative reorganization of the Commission in the interest of more effective and speedy handling of cases; to better arm Commissioners to handle decisions by providing personal legal assistants; and generally to make clear and definite administrative actions and appellate procedures in accordance with the Administrative Procedure Act.

Your committee is strongly of the opinion that enactment of the bill is a major step forward in the evolution of the regulation of radio and wire communications, both broadcast and common carrier. It believes that the legislation will be of inestimable value in making more certain that regulation of the industry shall be in "the public interest, convenience, and necessity."

EXPLANATION OF THE BILL BY SECTIONS

Section 1

This section gives a short title to this act, merely for purposes of reference to the dates of enactment of provisions herein proposed to be incorporated in the Communications Act of 1934, as amended.

Section 2

This section amends subsection (o) of section 3 of the Communications Act of 1934 by redefining "broadcasting." The new definition defines "broadcasting" to mean "the dissemination of radio communications intended to be received directly by the general public." In the existing law, the term is defined to include radio communications intended to be received by the public "directly or by the intermediary of relay stations." Testimony has been offered that these so-called relay stations might be considered to be broadcast stations within the meaning of the act. The new definition clarifies this ambiguity, but the committee does not intend that such relay stations, when used in broadcasting shall be classified as common carriers under the law. The new definition also conforms with the provisions of the Radio Regulations of the International Telecommunications Convention (Atlantic City, 1947):

Section 3

This section adds a number of new definitions to the Communications Act of 1934.

Subsection (bb) defines "license," "station license," or "radio station license" to mean the instrument of authorization required by the act or regulations for use or operation of radio-transmitting apparatus, and the terms are intended to

include all forms of authorizations, temporary or otherwise. When considered in connection with other sections of the bill, this will limit the power of the Commission to grant special or emergency types of authorization to the cases specifically provided for in the bill.

Subsection (cc) provides a definition of "broadcast station," "broadcasting stations," or "radio-broadcast station." None of these terms is now defined, and all are used either in the present law or the amended section.

Subsection (dd) defines the terms "construction permit" and "permit for construction," which have not heretofore been defined, to clarify reference to such authorizations in procedural provisions.

Section 4

This section proposes several revisions of the existing section 4 of the act, which deals with the make-up of the Commission itself, top staff personnel, and matters to be included in the annual reports to Congress. Specifically, the provisions are as follows:

Subsection (a) makes a minor change in existing law which prohibits Commissioners from engaging in any other business, vocation, or employment by exempting from this prohibition the preparation of technical papers. Commissioners have pointed out that existing law might be interpreted to prevent such wholly meritorious publication of papers. The most important provisions of this subsection, however, would add to subsection (4) (b) the requirement that 1 year after the enactment of this act no Commissioner, if he resigns before his term of office has expired, may for 1 year thereafter represent before the Commission any person or corporation who comes within the jurisdiction of the Communications Act. This provision, the committee believes, is a most desirable one. It is intended to halt the practice by persons and corporations, who have business before the Commission, of employing Commissioners with the obvious purpose of benefiting themselves, perhaps unfairly, through the influence that such a Commissioner might have with employees in the agency. It is also intended to restrict a growing practice of using appointments to high Government posts as stepping stones to important positions in private industries which have business before the Commission. The recommended amendment would not prevent a Commissioner from resigning his post at any time, but if he resigned after 1 year following enactment of this provision and before his term of office had expired he could not for 1 year thereafter represent anyone who comes within jurisdiction of the Communications Commission.

Subsection (b) is a revision of section 4 (f) (1) of the act, a subsection which deals with the employment of certain top staff personnel and their salaries. It should be noted that the Civil Service Classification Act of 1949 made changes in the salaries originally provided by this subsection and the committee in rewriting the language has written in the new salary schedules provided by that act last year. Thus, it should be emphasized that while it was necessary to rewrite the section for other reasons, no changes have been made in salary schedules from those already provided by law. The important changes in the subsection made by the committee include authority for the employment of a personal legal assistant to each Commissioner at a salary not to exceed \$10,000 annually, a reduction in the number of assistant general counsels, assistant chief engineers, and assistant chief accountants from three to two; and a prohibition against the general counsel, the chief engineer, the chief accountant, and their assistants from representing any licensee under the Communications Act for 1 year following termination of their employment with the Commission.

The committee believes some explanation of these and other minor changes in this subsection is pertinent. It is of the opinion that provision for the employment of a personal legal assistant to each Commissioner is one of the important features of the bill here recommended. The plain facts are that the Commission is tremendously behind in its work, one reason therefor being the necessity for each individual Commissioner to personally review each decision. Several of the Commissioners are not lawyers; even those who are find it difficult to give the time necessary to familiarize themselves with all pertinent points in a proposed decision. The result has been that all too frequently decisions coming up from the staff have not had the close personal attention they should have. When it is realized that such decisions frequently are of vital economic consequence to citizens as well as important to the public interest, it will be realized that too

much attention cannot be given to such decisions. The employment of a well-trained lawyer who will be the personal legal assistant to a Commissioner will not only relieve the burden of work on each Commissioner but will permit close study of both proposed decisions and rules and should expedite materially the speed of Commission action on its backlog of cases. The committee desires to emphasize that it believes Commissioners can obtain, at the recommended salary, competent, trained, and well-experienced lawyers who know the administrative process, will adhere to orderly legal actions, and advise the non-legal-trained Commissioners in such matters.

In reducing the number of assistant counsels, assistant engineers, and assistant accountants the committee has followed the suggestions of individual Commissioners who believe that the employment of personal legal assistants will permit reduction in these posts. Moreover, the saving thus obtained will reduce the extra cost of seven legal assistants to Commissioners.

Another major feature of this subsection is the provision which would prohibit the chief engineer and his assistants, the chief accountant and his assistants, the general counsel and his assistants, and the secretary of the Commission from leaving their post with the Commission to represent a licensee until 1 year has elapsed after termination of their employment with the Commission. The committee believes that this provision is a necessary corollary to a similar provision applying to Commissioners themselves and that it will tend to curb an exceedingly unfair and occasionally improper practice. The ability to "influence people" in the Commission is reported to have been of great value in numerous instances; this provision should aid in building up a career service within the Commission and halt further efforts to woo key personnel from the Commission for the purpose of influencing subsequent actions by the agency. The committee also has tightened the language pertaining to the employment of temporary counsel to make clear that such temporary employees cannot become in effect permanent employees in the guise of holding temporary appointment. Such temporary counsel hereafter are to be employed for specific special service and no other.

A provision of this section of the law which permitted the appointment of a director of each division of the Commission has been eliminated; such posts have not been filled for years and there is no necessity for such positions under the organization of the Commission proposed by this legislation.

Subsection (c) of this section amends the first sentence of section 4 (g) of the law which deals with the authority of the Commission to make certain expenditures, including expenditures for purchase of land for the erection of monitoring stations. While the Commission has exercised this authority for years under specific appropriation acts annually, such provisions constituted legislation in an appropriation bill and are subject to a point of order. The Bureau of the Budget recommended that this point be clarified so that clear legislative authority to justify such appropriations would exist.

Subsection (d) amends section 4 (k) of the present act with the purpose of making more clear and definite what shall be contained in the annual report filed by the Commission with the Congress.

Briefly, the Commission is to furnish the Congress each year (1) information and data bearing on the problem of regulation of interstate and foreign wire and radio communication; (2) information on the general administrative operations of the Commission so that Congress may readily understand what it has done or failed to do; (3) information concerning new employees hired during the year, their experience, and those resigned or discharged; (4) information in detail of all sums expended by the Commission, for what purpose, and under what authority; (5) specific recommendations on necessary additional legislation.

The committee is aware that the information required by clause (4) is furnished to the Appropriations Committee of the Congress annually. But it is of the opinion that the legislative committees of the two Houses which are directly concerned with the functioning of the Commission also have a real interest in these matters. Moreover, such information will permit the legislative committees to examine under what authority expenditures were made.

Section 5

Section 5 of the bill is a revision of section 5 of the law which deals with the organization of the Commission. The existing section of the law is an anachronism in that it provides for a permissive divisional organization of the Commission,

which was adopted briefly shortly following enactment of the law in 1934 and then dropped. In recent weeks the Commission has again undertaken a functional reorganization similar to that herein proposed but the committee is satisfied that in the absence of specific mandatory provisions, no effective change ever will be carried out. Section 5 therefore has now been rewritten into four brief subsections which set forth the duties of the chairman; provide for a functional reorganization of the Commission; provide for necessary delegation of certain specific duties (now a part of the present law); and designate time-limit objectives to be met by the Commission in processing cases with the added provision that Congress shall be promptly informed when cases have not been acted upon within certain fixed periods.

The most important subsection, and in the committee's opinion one of the most important of the entire bill here recommended, is subsection (b) which would reorganize the Commission into a functional organization. To make clear what the effect of this subsection would be, it should be explained that the Commission has been organized into three principal Bureaus—Engineering, Accounting, and Legal. It also has, of course, other subsidiary sections and units but the bulk of its licensing work flows upward through these three bureaus. Regardless of the type of case involved, each of these three Bureaus must independently, or occasionally in consultation, pass upon applications and other types of cases. Whether or not this system is responsible, the fact remains that the Commission's backlog of cases has continued to mount to alarming proportions. Hearing cases rarely get out in less than 2 years; some have been before the Commission as long as from 4 to 7 years.

Citizens and taxpayers are entitled to greater consideration and better service from their Government than this.

Moreover, under this system, the three Bureaus have become self-contained and independent little kingdoms, each jealously guarding its own field of operations and able to exercise almost dictatorial control over the expedition of a case. They can, and have, set at naught the best efforts of individual Commissioners to spur action.

The committee has, therefore, written into law by subsection (b) a mandatory reorganization provision but on the recommendation of the Commission has allowed wide flexibility to accommodate possible changes in the nature and volume of the Commission's work in future years. The Commission would be required within 60 days after enactment of this bill to organize its Legal, Engineering, and Accounting Bureaus into such number of integrated divisions as are deemed necessary to handle the Commission's workload problems. Under existing circumstances, these are expected to number three—broadcasting, common carrier, and special and safety service. Each of these divisions would include all necessary legal, engineering, and accounting personnel to handle the work but would operate together as a team rather than as separate professional groups. The Commission also would have authority to establish whatever additional divisions may be necessary to handle that part of its workload which may cut across the divisional organizations or which may not lend itself to handling by an integrated divisional unit.

Coupled with this divisional set-up, the committee also has provided for the establishment of a review staff, consisting of legal, engineering, and accounting personnel, whose sole function shall be to prepare and review decisions, orders, rules, and other memoranda as the Commission shall direct. The review staff shall be directly responsible to the Commission, and its personnel shall not engage in the preparation or prosecution of cases. Neither the general counsel, the chief accountant, nor the chief engineer shall have any authority over it. Its purpose is clear; it is to separate with finality the prosecutory and judicial functions of the Commission so that the same individual who prosecutes a case in behalf of the Commission before a hearing examiner shall not later be found preparing the final decision or advising Commissioners or the Commission as to the final decision. The records and facts well known to your committee and to the industry have proved beyond question that applicants have not always had the most equitable judicial treatment under the existing type of administrative judicial process. The committee believes that its proposed amendment will correct this situation.

Subsection (a) of this section sets forth the duties and responsibilities of the Chairman of the Commission, providing that he shall be the chief executive officer of the Commission and shall represent it in all matters relating to legislation and

in dealings with the Congress as well as be responsible for the general organization and functioning of the Commission as a whole.

Subsection (c) is a revision of the existing subsection 5 (e) dealing with certain necessary delegation of the Commission's work to individual Commissioners, a board of Commissioners, or to employees. Such delegation is subject to the provisions of section 17 of this bill (sec. 409 of the act is revised by this bill) and to the provisions of the Administrative Procedure Act as described in section 17.

Subsection (d) is a new provision specifying that the Commission must meet at regular intervals but not less than once a month for the purpose of reviewing and expediting its work. The committee has set as fair time limits, for final Commission disposition of cases, a period of 3 months for nonhearing cases and 6 months from the final date of hearing on all hearing cases. The Commission is instructed to report to Congress promptly all cases pending before it longer than these periods stating the reasons for delay. The Congress will thus be currently apprised of the progress of Commission actions.

Section 6

This section amends subsection (d) of section 307 by deleting the phrase "but action of the Commission with reference to the granting of such application for the renewal of a license shall be limited to and governed by the same considerations and practice which affects the granting of original applications." Once a license has been granted, there appears to be not good reason why the Commission should be required to take into consideration many of the factors which it should and must take into consideration in granting a license in the first instance. Such matters as the character and ability of the applicant to operate a broadcast station or his financial ability to construct and maintain a station are important factors for the Commission to consider in evaluating original applications for a broadcast station; they no longer may be pertinent factors when the Commission is giving consideration to renewal of a station license. It should be emphasized that while the recommended amendment does eliminate the necessity for the type of involved and searching examination which the Commission must make in granting an original license, it does not in any way impair the Commission's right and duty to consider, in the case of a station which has been in operation and is applying for renewal, the over-all performance of that station against the broad standard of public interest, convenience, and necessity. This authority of the Commission is made explicit by specifying that such renewal grants are subject to findings by the Commission that the "public interest, convenience, or necessity would be served thereby." This section, the committee desires to emphasize, is not intended to nor shall it be interpreted as modifying in any degree the high qualifications required of a licensee; rather, the objective of the recommended changes is to expedite the administrative consideration of the renewal process and to reduce the work load and expenditure on both the licensee and the Commission.

Section 7

This section amends subsection (a) of section 308 of the present act. It is designed to make more definite the procedures to be employed by the Commission in the exercise of its radio-licensing functions. This section fixes and determines the conditions under which the first step in the exercise of the licensing function is taken; it makes positive and a part of statutory law that which has heretofore been the subject of dispute and controversy. There has been confusion under the terms of existing law over the basic question of when and under what circumstances a written application must be filed as the initial step in license proceedings and when, by the device of calling a license by some other name, the Commission, and applicants with the acquiescence of the Commission, have avoided this step.

The amendment recommended herein would make the filing of a written application a necessary condition precedent in all cases except those arising out of emergencies involving danger to life or property or damage due to equipment breakdowns or when the authorization is required by emergency or security reasons during the continuance of any war in which the United States is engaged. The proposed new language does not change the substance of existing law; it merely makes certain that which has heretofore been uncertain. Moreover, the amendment is directed against the administrative practice of issuing special service authorizations, which have been held not to be licenses, and therefore persons

affected by their issuance were precluded from relying upon them or challenging their propriety.

Section 8

This section amends section 309 of the present act, which deals with the procedural steps involved in obtaining a license. It is the purpose of this section, as a necessary corollary of the preceding section, to make definite and certain the procedural rights and remedies of those who oppose, as well as those who apply for, a new instrument of authorization. The necessity for definite provisions of this character has been clearly demonstrated by experience.

Specifically, the amendment here proposed will make it possible, as at present, for the Commission to grant any application without hearing if convinced from *ex parte* examination that the statutory standard will be served thereby. It will, however, provide a method whereby any person, who has the right to challenge the legality or propriety of such a grant by appeal from the Commission's decision, can make his complaint first before the Commission—a guaranty which the present law does not contain. Provisions also are included which are designed to guarantee that any hearings held before the Commission upon any application will be conducted upon the basis of issues clearly defined so that the Commission will act as an arbiter.

Subsection (a) is merely a restatement of the present subsection (a) making clear that the standard of judgment which applies in issuing an authorization is in the public interest, convenience, and necessity.

Subsection (b) sets forth in specific terms what the Commission shall do with respect to notification of the applicant and known parties in interest, both prior to and after setting an application for hearing; the specification of issues; opportunity for an applicant to reply; who may participate, under what circumstances and how.

Subsection (c) provides for what is commonly known as the protest rule. This provision merely insures that if the Commission grants a license or other type of authorization without a hearing, the grant will remain subject to protest under oath for a 30-day period by any party in interest. Thereafter, the Commission is required within 15 days to make a finding as to whether the protest meets the requirements of the section and if it so finds the matter shall be set for hearing under conditions specifically set forth to insure fullest judicial protection to citizens involved in such proceedings. Some question has been raised in earlier hearings on proposed Communications Act amendment bills with respect to the meaning of the term "parties in interest" as used in this subsection and in other sections of the bill. Fear has been expressed that use of "parties in interest" might make possible intervention into proceedings by a host of parties who have no legitimate interest but solely with the purpose of delaying license grants which properly should be made. The committee does not so construe the term "party in interest"; "parties in interest" because of electrical interference are fixed and defined by the Supreme Court decision in the KOA case (319 U. S. 239) and the Commission's rules and regulations; "parties in interest" from an economic standpoint are defined by the Supreme Court decision in the Sanders case (309 U. S. 470).

Subsection (d) is the present subsection (b) of section 309 of the act unchanged and merely sets forth the form of the license and the conditions attached to its grant.

Section 9

This section amends subsection (b) of section 310 of the act which deals with the transfer of licenses granted by the Commission. The existing provisions are indefinite in nature with respect to the procedure to be employed by the Commission in considering such transfers and this has led, in some instances, to differences in the treatment of applications for transfer of facilities. The recommended new language is designed to make certain that no construction permit or station license granted by the Commission may be transferred without the Commission's approval; to make definite the procedure to be employed by the Commission in passing upon transfer applications; and to clarify the standard to be applied by the Commission in passing upon the merits of such applications.

One of the purposes of the proposed new language in this subsection is to annul the so-called AVCO procedure adopted several years ago by the Commission to prevent a licensee from selling his property to a proper person of his choice but requiring an opportunity for others to make bids for any radio station proposed to be sold. The committee believes that there is no provision of present law which authorizes the Commission to employ such a procedure and it deems such a procedure an unwise invasion by a Government agency into private business practice.

The committee regards it as significant that the Commission dropped the so-called AVCO procedure several months ago as unsatisfactory and a cause of undue delay in passing upon transfers of licenses. It should be emphasized that the Commission's authority to see to it that stations are operated in the public interest and to determine whether the proposed transferee possesses the qualifications of an original licensee or permittee is not impaired or affected in any degree by this subsection. In fact, the latter requirement is expressly stated. The committee also desires to emphasize that the language recommended in this subsection specifically refers to construction permits as well as licenses. It is of the opinion that this lack of reference to construction permits in the present law may have led to some of the abuses which have taken place under the transfer provisions.

Section 10

This section amends section 311 of the present act which relates to the application of the antitrust laws of the United States. The existing law contains two sections (secs. 311 and 313) which deal with this subject. Section 313 of the present law makes clear that all licensees under the Communications Act come within the provisions of the antitrust laws and that if any licensee is found guilty of a violation of antitrust laws the court may, as an additional penalty, also revoke the license of the person or group found guilty. Section 311 of the present law specifically directs the Commission to revoke any license which the court has ordered to be revoked under the authority of section 313 and authorizes the Commission to revoke the license of a person found guilty of antitrust violation if the court itself has not ordered such revocation.

Licensees have consistently contended during various hearings before this committee that these two sections considered together as now written constitute an unfair discrimination against radio licensees and that such a double penalty is not imposed upon other classes of business by any other statute.

The committee is impressed with the legal validity of the protests which have been made against this type of double jeopardy. It believes there is merit in the contention that citizens should not be subject to trial for the same allegations before two different tribunals. Moreover, such an argument is particularly pertinent in connection with alleged violations of the antitrust statutes which are the particular province of the Department of Justice and do not, by any other law, come within the jurisdiction of any independent quasi-judicial agency of government.

The committee has made no change in section 313. That section, which makes all licenses amendable to the antitrust statutes and specifically grants the court authority, if a licensee is found guilty of an antitrust violation, to order revocation of his license in addition to all other penalties which may be imposed under authority of the antitrust laws, stands unchanged and unimpaired. It has, however, modified section 311, which gave to the Federal Communications Commission additional authority to institute license revocation proceedings in those cases where a licensee has been found guilty in court of an antitrust violation but where the court did not order revocation of the license issued by the Commission. The modification proposed merely prohibits the Commission from instituting its own antitrust proceeding. It retains the specific authority to refuse a license or permit in those cases in which a court under section 313 has ordered revocation of the license or permit.

The committee desires to emphasize that the Commission's existing authority under law to examine into the character of a licensee or permittee in granting a license or a renewal is in no way impaired or modified by the change here recommended in section 311. The Commission's authority to determine whether or not the public interest, convenience, or necessity will be served by the granting of a license remains paramount and if it finds that the conviction of a licensee under the antitrust laws or under section 313 has materially affected the character or standing of such licensee so as to warrant refusal of a renewal, or grant of license, it may so proceed. Thus, the Commission's power to protect against monopoly control of radio licenses remains unaffected by the changes herein recommended; it is merely estopped from initiating and proceeding with an antitrust case of its own.

Section 11

This section amends section 312 of the present act which deals with revocation of licenses. Under existing law a station license may be revoked for false statements either in the application, or in the statement of fact which may be required from time to time, which would warrant the Commission in refusing to grant a license on an original application; or for failure to observe any of the restrictions

or conditions of the act or of regulations of the Commission authorized by the act or a treaty ratified by the United States. It is clear, therefore, that revocation is the sole administrative penalty in the case of violations ranging from the most serious to the least minor and affecting those who may innocently violate regulations of the Commission on technical matters.

The committee feels that this is not a satisfactory situation for two reasons: The Commission is reluctant to revoke a license for a minor offense and therefore minor offenses may be committed almost with impunity; and there exists no clear distinction between types of offenses. It is felt that some method of procedure short of revocation should be provided for minor or less serious violations. It is, therefore, provided that the Commission may issue cease-and-desist orders for such less serious violations.

The revocation penalty would remain in effect only (1) for those situations in which the Commission learns of facts or conditions after the granting of a permit or license which would have warranted it in refusing the grant originally had it known those facts; (2) for violation or failure to observe provisions of a treaty ratified by the United States; and (3) for violation or failure to observe the conditions of any cease-and-desist order issued in accordance with the provisions of this section. As in the case of cease-and-desist orders, the Commission must first issue an order to show cause why a license should not be revoked.

The cease-and-desist action would apply to those cases where a licensee has (1) failed to operate substantially as set forth in his license; (2) failed to observe the restrictions of this act or of a treaty ratified by the United States; and (3) violated or failed to observe any rule or regulation of the Commission authorized by this act.

It will be seen that violation of conditions or restrictions of a treaty may be proceeded against initially either by a revocation proceeding or the less onerous cease-and-desist proceeding, thus allowing Commission discretion as to the seriousness of the alleged offense. Moreover, the recommended language clothes the Commission with power to prevent persistent minor violations by making violation of a cease-and-desist order cause for a revocation action.

The cease-and-desist procedure is a time-tried and wholly successful one in many administrative agencies and the committee believes that its adoption by the Federal Communications Commission will be salutary. The language here recommended has had the approval of all witnesses who testified on the bill.

Revocation and cease-and-desist proceedings are, of course, subject to proper hearing procedures and are appealable to the courts. The burden of proof in all such proceedings is upon the Commission.

Section 12

This section provides for a new section (sec. 330) but its provisions are virtually identical with the present section 312 (b) of the law. In the interest of clarity and consistent order, the revocation and cease-and-desist provision has been assigned the number 312 and the provisions of the old section 312 (b) have been transferred to a new number.

The recommended language provides that modifications of licenses may be made where it will promote the public interest or where the provisions of the act or any treaty will be more fully complied with. This provision is identical with existing section 312 (b) except for language spelling out that a licensee whose license the Commission proposes to modify may on request secure a public hearing on at least 30 days' notice. This period of time may be shortened, however, where safety of life or property is involved. The section also provides that the burden of proof in all revocation, modification, and cease-and-desist proceedings is on the Commission.

Section 13

This section, entitled "Limitations on Quasi-Judicial Powers," adds a new section (sec. 331) to the present act dealing with miscellaneous provisions relating to the procedures to be followed in modification, revocation, and renewal proceedings. It has been endorsed by all witnesses and has the general approval of Commissioners.

The intent of this section is to spell out in definite detail the authority of the Commission with respect to modification of licenses, and termination or revocation of licenses, and to provide a guide for the Commission in dealing with renewals of licenses.

The language makes clear that modification can be undertaken only in accordance with the provisions prescribed by section 330 (a) of the law (sec. 12 of this bill) and that revocation or termination of a license can be undertaken only for

the reasons and in the manner provided by section 312 of the law (sec. 11 of this bill). It makes clear that Commission consideration of a renewal of license is also premised on the public interest, convenience, and necessity but the intent of the committee here is to separate more definitely and clearly the prosecutory functions and duties of the administrative staff of the Commission from the quasi-judicial functions of the Commission membership itself.

Section 14

This section amends section 401 of the present act by adding a new subsection (e) dealing with declaratory orders. The declaratory order method of procedure has received the direct approval of Congress in the enactment of the Administrative Procedure Act, which provides for issuance of such orders by administrative and independent agencies. The committee believes this type of procedure is an extremely beneficial one, both for the Government and for those having business before a Government agency.

The first sentence of the recommended section is substantially the language of the Administrative Procedure Act. However, the committee is of the opinion that because of the problems with which the Communications Commission deals it is necessary to provide additional safeguards in the issuance of declaratory orders by the Commission. The Commission should not be in the position of entering fiat to the industry under the guise of unsolicited declaratory orders. Moreover, such orders should be binding only on those who are parties to the proceeding.

This section provides that the Commission may issue declaratory orders in cases of actual controversy or in order to remove uncertainty. Such orders would be issued only upon petition and after notice and opportunity for hearing and such orders would, of course, be subject to judicial review.

One of the frequent criticisms of governmental procedure, particularly that of the quasi-judicial agencies, is that in order to test the legality, or even the meaning, of a rule or regulation, it is necessary to violate it and incur the penalties that go with such violation. Such a condition results in a particularly difficult situation in the case of radio broadcasting, involving as it does highly technical and specialized rules applicable to engineering and other technical equipment and operations most complicated in character. The proposed new section would make it unnecessary to incur the risk of violating the law in order to secure an authoritative ruling.

Section 15

This section amends section 402 of the present act, which deals with the subject of judicial review of the Commission's decisions and orders. The subject of appeals from quasi-judicial agencies to the courts and the legal remedies under such appeals are most important. Since the changes in existing law which are to be effected by the enactment of these subsections are several and substantial, detailed consideration is presented in this report.

Subsection (a) deals only with judicial review of Commission orders by specifically constituted three-judge courts. It substantially restates existing law with necessary clarification, and a provision is inserted which would give parties plaintiff, other than the Government, an option of venue for such suits, either in the appropriate United States district court or in the United States District Court for the District of Columbia. Subsections (b) through (j) deal with the subject of judicial review of decisions and orders of the Commission which are entered in the exercise of its radio-licensing functions.

Subsection (b) attempts a more precise and comprehensive definition of the jurisdiction of the United States Court of Appeals for the District of Columbia in cases appealed from the Commission. The language of this subsection, when considered in relation to that of subsection (a), also would make clear that judicial review of all cases involving the exercise of the Commission's radio-licensing power is limited to that court. Under present law, confusion and controversy have arisen concerning what decisions and orders of the Commission might become the subject to judicial review and in what court. This has been carried to the point where the time and effort of both litigants and courts have been too much taken up with jurisdictional problems rather than with the merits of particular cases. Enactment of this subsection is designed to obviate this difficulty.

Subsection (c) deals with the time for and the manner of taking an appeal from the Commission to the United States Court of Appeals for the District of Columbia, and the duty of the Commission with respect to the filing and certification of the record in the event that such an appeal is taken. The appellate period is made 30 rather than 20 days as at present, and provision is made that the appellate period will run from the date of the entry of the order appealed from rather than from its effective date.

This subsection also definitely fixes and prescribes the nature and extent of the jurisdiction of the appellate court after a notice of appeal has been filed. It confers upon that court, by specific language rather than by inference, authority to grant temporary relief, which may be either affirmative or negative in its scope and application. The necessity for language of this sort in the statute itself can hardly be exaggerated in view of the controversy and confusion which have arisen concerning this subject. The language here is believed to be stronger and therefore preferable to that found in section 10 (d) of the Administrative Procedure Act.

Subsection (d) would continue in effect, substantially, the provisions of section 402 (c) of existing law. It does, however, attempt to settle certain ambiguities. The Commission would be compelled to file with the court both the record and its written decision within a period of 30 days after the filing of an appeal. Present provisions of law are susceptible of an interpretation which would require the filing of the Commission's decision 30 days after the filing of the record.

Subsection (e) is a redraft of section 402 (d) of existing law, with minor clarifying amendments.

Subsection (f) specifically confers upon the appellate court the right to fix by rule the material to be included in any record upon which an appeal is to be heard and determined. While this is now the practice of the United States Court of Appeals for the District of Columbia, questions have arisen concerning that court's power to take such action due to the peculiar language of the statute. This is a matter which obviously should be clarified.

Subsection (g) merely adopts the language of section 10 (e) of the Administrative Procedure Act as the procedure to be followed in the hearing and determination of the appeal.

Subsection (h) contains provisions which are intended to confer upon the appellate court a measure of control commensurate with the dignity and responsibility of that tribunal, requiring the Commission to give effect to the judgment of the court in the absence of proceedings to review. The committee points out that under the language of this subsection the appellate court would have ample authority, either on its own motion or upon the petition of the Commission or any other litigant, to provide, either as a part of its original decree or supplementary thereto, that new parties and new issues may be introduced and a new record made after remand to the Commission. This authority stems from the phrase "and unless otherwise ordered by the court."

Subsection (i) carries forward without change provisions of section 402 (f) of existing law relating to the assessment of costs on appeal.

Subsection (j) contains important amendments to existing law. Under present law, review by the Supreme Court of decisions of the United States Court of Appeals for the District of Columbia is limited to certiorari proceedings and to certification by the court of appeals. This subsection provides that, in a limited class of cases, appeals may be taken directly and as a matter of right to the United States Supreme Court.

Experience to date has clearly demonstrated that it is extremely difficult for private litigants to secure an ultimate Supreme Court review of Commission action by the certiorari method. Since 1927, only one such petition has been granted upon request of a private litigant, whereas only one such petition has been denied when filed by the Government. The result has been that many cases involving Commission action on applications for renewal and modification of licenses have, during this period, been reviewed by the Supreme Court upon request of the Government, and only one has received such consideration upon petition of a private litigant. Since either revocation or renewal proceedings may result in absolute or final loss of license, the committee believes that adequate opportunity should be given the parties affected in such cases to litigate their claims; and that, in this limited class of cases, opportunity should extend to and include review by the highest judicial tribunal. Such appeals, as a matter of right, are given in practically all cases involving decisions and orders of the Interstate Commerce Commission and are given under section 402 (a) of the Communications Act in cases such as the network cases (*National Broadcasting Company, Inc., et al. v. U. S. et al.* (319 U. S. 190)) which involve the exercise by the Commission of its legislative, as distinguished from its judicial powers.

The committee sees no basis in substance for the distinction made so long as the result reached is determinative and final in either case and goes to the right of a litigant to remain in the business of his choice. The inclusion of such a provision should impose no undue hardship upon the Supreme Court because of the limited number of such cases. On the contrary, it would make possible the

development of an authoritative body of law upon a subject vital to those engaged in the communications business and of substantial importance to the public generally.

Section 16

This section amends section 405 of existing law which deals with rehearing procedure before the Commission. Since the rehearing step is the final stage in the administrative process, the committee is of the opinion that clarity and definiteness are of paramount importance here. The new language recommended in this bill is intended to make more definite and certain the rights and remedies of the parties concerned.

Any party affected by a decision, order, or requirement of the Commission, or any other person aggrieved or adversely affected by it, is granted the right to petition for a rehearing. In order to expedite the rehearing process and prevent it from being used as a delaying action, the recommended new language specifies that, except for newly discovered evidence or evidence otherwise available only since the original taking of evidence, no evidence shall be taken on a rehearing. This is also intended to make such rehearing procedures conform to court practice, on appeal, in view of the fact that a rehearing conforms in many respects to an appeal to a higher court, where only the evidence already introduced is considered.

The recommended section also would eliminate uncertainties in existing appellate practices by providing that the time for appeal under section 402 (b) (sec. 15 of this bill) will run from the date upon which the Commission enters its order disposing of all petitions for rehearing filed in any case.

Section 17

This section amends section 409 of the present act, which deals with the hearing procedure before the Commission. The proposed new language replaces the present subsection (a) with three new subsections. These are designed to make definite and certain the procedure to be employed by the Commission in all cases where a public hearing is required by the provisions of the Communications Act or other applicable provisions of law.

The subject here dealt with is that of judicial or quasi-judicial hearings held by the Commission and is one of the most important of any dealt with in the entire bill. The changes recommended in this bill are prompted by what is believed to be an abundance of caution and a desire to prevent conflicts or misunderstandings due to the presence on the statute books of other provisions relating to the same subject. Since section 12 of the Administrative Procedures Act provides that subsequent legislation shall not supersede or modify the provisions of that act, unless specifically stated, it has been necessary to make specific references to that act where the subject matter requires a different treatment. The section consists of three subsections, which will be dealt with in order.

Subsection (a) will, in effect, require all hearings of a judicial or quasi-judicial nature conducted by the Commission to be held either by the whole Commission or by one or more examiners appointed by the Commission. It will not permit the conduct of a hearing by a single Commissioner, as is now sometimes done. This is important because it is impossible for the Commission to review the preliminary or intermediate report of one of its members with the same degree of objectivity or fairness with which it reviews the report of an examiner. Since section 7 (a) of the Administrative Procedure Act is so phrased as to permit a continuance of present practices, specific references to it were regarded as necessary in order to effect a change.

Subsection (b) relates to the procedure which shall be followed by the officers conducting a hearing and what shall be included in the record. Here again certain provisions of section 8 of the Administrative Procedures Act seem to be ineffective or inappropriate, and specific reference to section 8 of that act was required.

Subsection (c) has further reference to the conduct of hearing officers and certain other employees both during the hearing and subsequent thereto, but before final decision. While provisions of this type are not found in the Administrative Procedure Act, the committee believes that the clearest and most detailed separation of the prosecutory and judicial functions must be maintained in the interests of equity and fair treatment to those having business before the Commission. An exemption has been made with respect to the review work that may be carried on by the review unit provided for in this bill (sec. 5 (b) of the act and this bill) and by the Commissioners' personal legal assistants. But the committee insists that citizens shall be safeguarded in the administrative process so that unfair and improper influence shall not be brought to bear in their cases

without their knowledge and without an opportunity for them to rebut in accordance with American juridical standards.

In providing for the establishment of a special review unit, the committee does not intend it to act as a panel designed to screen or modify examiners' proposed decisions before they reach the Commission. On the contrary, the principal function of the review unit is to digest and analyze proposed decisions (or rules and regulations) for the Commission to save individual Commissioners' time and expedite their handling of cases and the rule-making procedure. Such review board does not have and is not intended to have any authority to revise, modify, amend, or alter any proposed decision by an examiner nor to recommend to the Commission changes in such decisions. It is expected to act as a clearinghouse to make certain that both law and fact have been correctly applied and to digest, analyze, and note the scope and purport of the proposed decision.

Apart from the authority expressly granted the review board, and the duties laid upon the Commissioners' personal legal assistants, every safeguard is written into this section to prevent examiners, lawyers, or other employees from advising or consulting with the Commission with respect to its action.

These three subsections are amendatory. In the interests of clarity, these additional subsections are retained in the act, and renumbered so that the present subsections (b), (c), (d), (e), (f), (g), (h), (i), and (j), will become subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l), respectively.

Section 18

This section amends section 414 of the present act, which provides that nothing in the Communications Act shall abridge or alter the remedies existing at common law or by statute. The recommended new language to be added is: "except as specifically provided in this Act, the provisions of the Administrative Procedure Act shall apply in all proceedings under this Act."

The purpose and intent of the amendment is to make clear that all of the pertinent provisions of the Administrative Procedure Act are applicable in all procedural and appellate matters involving cases and controversies before the Communications Commission, except where specific procedural and appellate provisions are set forth in this bill. It will be noted that section 409 (a), (b), and (c) (sec. 17 of this bill) specifically refer to the Administrative Procedure Act and specify that, notwithstanding provisions of that act, the procedures set forth in those subsections are to be employed. The committee is well aware of the salutary provisions of the Administrative Procedure Act and has no desire to vitiate or impair the rights granted under the provisions of that act to private citizens doing business with a Government agency. It believes, however, that circumstances and conditions involved in procedures before the Communications Commission, particularly radio-broadcast cases, which differ from common-carrier principles, are such that special recognition must be given to the problem. The Administrative Procedure Act, which is a general statute covering procedure in all administrative agencies, does not meet all of these conditions and circumstances.

Section 19

This section is a new provision of law which adds a new section to chapter 63 of the Criminal Code dealing with fraud by radio. This provision has been recommended by the Federal Communications Commission on several occasions, and the committee has heard of no opposition to it from any source.

It is intended merely to establish for radio a parallel provision now in the law for fraud by mail, so that fraud conducted or intended to be conducted by radio shall be amenable to the same penalties now provided for fraud by means of the mails. The Commission has pointed out that the loophole now in the law leaves not only citizens at the mercy of some clever schemer but actually places an innocent licensee at a serious disadvantage, since the only recourse the Commission has under existing law is to revoke a license. Of course, should a licensee be found to be involved in such a fraud, the Commission's power to revoke his license is not affected by this new section. It does, however, provide a means to reach a non-licensee who may make use of the radio to defraud.

Section 20

This section is the usual separability provision to make certain that if any provision of the bill is found invalid it will not invalidate the remainder of the provisions of the bill and their applicability to persons or circumstances affected by the act.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

THE COMMUNICATIONS ACT OF 1934

SEC. 3. * * *

[(o) "Broadcasting" means the dissemination of radio communications intended to be received by the public, directly or by the intermediary of relay stations.]

(o) "*Broadcasting*" means the dissemination of radio communications intended to be received directly by the general public.

(p) * * * (q) * * * (r) * * * (s) * * * (t) * * *
(u) * * * (v) * * * (w) * * * (x) * * * (y) * * *
(z) * * * (aa) * * *

(bb) The term "*license*", "*station license*", or "*radio station license*" means that instrument of authorization required by this Act or the rules and regulations of the Commission made pursuant to this Act, for the use or operation of apparatus for transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designated by the Commission.

(cc) The term "*broadcast station*", "*broadcasting station*", or "*radio broadcast station*" means a radio station equipped to engage in broadcasting as herein defined.

(dd) The term "*construction permit*" or "*permit for construction*" means that instrument of authorization required by this Act or the rules and regulations of the Commission made pursuant to this Act for the installation of apparatus for the transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designated by the Commission.

SEC. 4

(b) Each member of the Commission shall be a citizen of the United States. No member of the Commission or person in its employ shall be financially interested in the manufacture or sale of radio apparatus or of apparatus for wire or radio communication; in communication by wire or radio or in radio transmission of energy; in any company furnishing services or such apparatus to any company engaged in communication by wire or radio or to any company manufacturing or selling apparatus used for communication by wire or radio; or in any company owning stocks, bonds, or other securities of any such company; nor be in the employ of or hold any official relation to any person subject to any of the provisions of this Act, nor own stocks, bonds, or other securities of any corporation subject to any of the provisions of this Act. [Such commissioners shall not engage in any other business, vocation, or employment.] Such commissioners shall not engage in any other business, vocation, profession, or employment but this shall not apply to the preparation of technical or professional publications for which reasonable honorarium or compensation may be paid. Any such Commissioner serving as such after one year from the date of enactment of the Communications Act Amendments, 1950, shall not for a period of one year following the termination of his services as a Commissioner represent before the Commission in a professional capacity any person, including all persons under common control, subject to the provisions of this Act, except that this restriction shall not apply to any Commissioner who has served the full term for which he was appointed. Not more than four commissioners shall be members of the same political party.

[(f) (1) Without regard to the civil-service laws or the Classification Act of 1923, as amended, (1) the Commission may appoint and prescribe the duties and fix the salaries of a secretary, a director for each division, a chief engineer and not more than three assistants, a chief accountant and not more than three assistants, a general counsel and not more than three assistants, and temporary counsel designated by the Commission for the performance of special services; and (2) each commissioner may appoint and prescribe the duties of a secretary at an annual

salary not to exceed \$5,482.80. The general counsel and the chief engineer and the chief accountant⁴ shall each receive an annual salary of not to exceed \$10,330; the secretary shall receive an annual salary of not to exceed \$9,706.50; the director of each division shall receive an annual salary of not to exceed \$9,706.50; and no assistant shall receive an annual salary in excess of \$9,706.50. The Commission shall have authority, subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, to appoint such other officers, engineers, accountants,⁴ inspectors, attorneys, examiners, and other employees as are necessary in the execution of its functions.】

(f) (1) *Without regard to the civil-service laws or the Classification Act of 1949, as amended, (1) the Commission may appoint and prescribe the duties and fix the salaries of a secretary, a chief engineer and not more than two assistants, a chief accountant and not more than two assistants, a general counsel and not more than two assistants, and counsel temporarily employed and designated by the Commission for the performance of specific special services; and (2) each Commissioner may appoint and prescribe the duties of a legal assistant at an annual salary not to exceed \$10,000 and a secretary at an annual salary not to exceed \$5,600. The chief engineer, the chief accountant, and the general counsel shall each receive an annual salary of not to exceed \$11,200; the secretary shall receive an annual salary of not to exceed \$10,000, and no assistant shall receive an annual salary in excess of \$10,000: Provided, That on and after one year from the date of enactment of Communications Act Amendments, 1950, the secretary of the Commission, the chief engineer and his assistants, the chief accountant and his assistants, the general counsel and his assistants, and the legal assistants to each Commissioner shall not, for the period of one year next following the cessation of their employment with the Commission, represent before the Commission in a professional capacity any person, including all persons under common control, subject to the provisions of this Act. The Commission shall have authority, subject to the provisions of the civil-service laws and the Classification Act of 1949, as amended, to appoint such other officers, engineers, accountants, attorneys, inspectors, examiners, and other employees as are necessary in the execution of its functions. * * **

(g) 【The Commission may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for office supplies, law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the Commission and as from time to time may be appropriated for by Congress.】 *The Commission may make such expenditures (including expenditures for rent and personal services at the seat of Government and elsewhere, for office supplies, law books, periodicals, and books of reference, for printing and binding, for land for use as sites for radio monitoring stations and related facilities, including living quarters where necessary in remote areas, for the construction of such stations and facilities, and for the improvement, furnishing, equipping, and repairing of such stations and facilities and of laboratories and other related facilities (including construction of minor subsidiary buildings and structures not exceeding \$25,000 in any one instance) used in connection with technical research activities), as may be necessary for the execution of the functions vested in the Commission and as from time to time may be appropriated for by Congress. All expenditures of the Commission, including all necessary expenses for transportation incurred by the commissioners or by their employees, under their orders, in making any investigation or upon any official business in any other places than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the Commission or by such other member or officer thereof as may be designated by the Commission for that purpose.*

* * * * *

(k) The Commission shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. 【Such report shall contain such information and data collected by the Commission as may be considered of value in the determination of questions connected with the regulation of interstate and foreign wire and radio communication and radio transmission of energy, together with such recommendations as to additional legislation relating thereto as the Commission may deem necessary: *Provided, That the Commission shall make a special report not later than February 1, 1935, recommending such amendments to this Act as it deems desirable in the public interest: Provided further,*⁶ That each year, at the beginning of the session of the Congress, the Commission shall report to the Congress whether or not any new wire or radio communication legislation is required better to insure safety of life and property.

If any such new legislation is considered necessary the Commission shall make specific recommendations thereof to the Congress.] Such reports shall contain—

(1) such information and data collected by the Commission as may be considered of value in the determination of questions connected with the regulation of interstate and foreign wire and radio communication and radio transmission of energy.

(2) such information and data concerning the functioning of the Commission as will be of value to Congress in appraising the amount and character of the work and accomplishments of the Commission and the adequacy of its staff and equipment: Provided, That the first and second annual reports following the date of enactment of Communications Act Amendments, 1950, shall set forth in detail the number and caption of pending applications requesting approval of transfer of control or assignment of a station license, or construction permits for new stations, or for increases in power, or for changes of frequency of existing stations at the beginning and end of the period covered by such reports;

(3) information with respect to all persons taken into the employment of the Commission during the year covered by the report, including names, pertinent biographical data and experience, Commission positions held and compensation paid, together with the names of those persons who have left the employ of the Commission during such year: Provided, That the first annual report following the date of enactment of Communications Act Amendments, 1950, shall contain such information with respect to all persons in the employ of the Commission at the close of the year for which the report is made;

(4) an itemized statement of all funds expended during the preceding year by the Commission, of the sources of such funds, and of the authority in this Act or elsewhere under which such expenditures were made; and

(5) specific recommendations to Congress as to additional legislation which the Commission deems necessary or desirable, including all legislative proposals submitted for approval to the Director of the Budget.

* * * * *

[DIVISIONS OF THE COMMISSION]

ORGANIZATION OF THE COMMISSION

SEC. 5. [(a) The Commission is hereby authorized by its order to divide the members thereof into not more than three divisions, each to consist of not less than three members. Any commissioner may be assigned to and may serve upon such division or divisions as the Commission may direct, and each division shall choose its own chairman. In case of a vacancy in any division, or of absence or inability to serve thereon of any commissioner thereto assigned, the chairman of the Commission or any commissioner designated by him for that purpose may temporarily serve on said division until the Commission shall otherwise order.

[(b) The Commission may by order direct that any of its work, business, or functions arising under this Act, or under any other Act of Congress, or in respect of any matter which has been or may be referred to the Commission by Congress or by either branch thereof, be assigned or referred to any of said divisions for action thereon, and may by order at any time amend, modify, supplement, or rescind any such direction. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Commission.

[(c) In conformity with and subject to the order or orders of the Commission in the premises, each division so constituted shall have power and authority by a majority thereof to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to it for action by the Commission, and in respect thereof the division shall have all the jurisdiction, and powers now or then conferred by law upon the Commission, and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by any of said divisions in respect of any matters so assigned or referred to it shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made, or taken by the Commission subject to rehearing by the Commission as provided in section 405 of this Act for rehearing cases decided by the Commission. The secretary and seal of the Commission shall be the secretary and seal of each division thereof.

[(d) Nothing in this section contained, or done pursuant thereto, shall be deemed to divest the Commission of any of its powers.

[(e) The Commission is hereby authorized by its order to assign or refer any portion of its work, business, or functions arising under this or any other Act of Congress or referred to it by Congress, or either branch thereof, to an individual

commissioner, or to a board composed of an employee or employees of the Commission, to be designated by such order, for action thereon, and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference: *Provided, however,* That this authority shall not extend to investigations instituted upon the Commission's own motion or, without the consent of the parties thereto, to contested proceedings involving the taking of testimony at public hearings, or to investigations specifically required by this Act. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Commission. In case of the absence or inability for any other reason to act of any such individual commissioner or employee designated to serve upon any such board, the chairman of the Commission may designate another commissioner or employee, as the case may be, to serve temporarily until the Commission shall otherwise order. In conformity with and subject to the order or orders of the Commission in the premises, any such individual commissioner, or board acting by a majority thereof, shall have power and authority to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to him or it for action by the Commission and in respect thereof shall have all the jurisdiction and powers now or then conferred by law upon the Commission and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by any such individual commissioner or board in respect of any matters so assigned or referred shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made or taken by the Commission. Any party affected by any order, decision, or report of any such individual commissioner or board may file a petition for rehearing by the Commission or a division thereof and every such petition shall be passed upon by the Commission or a division thereof. Any action by a division upon such a petition shall itself be subject to rehearing by the Commission, as provided in section 405 of this Act and in subsection (c). The Commission may make and amend rules for the conduct of proceedings before such individual commissioner or board and for the rehearing of such action before a division of the Commission or the Commission. The secretary and seal of the Commission shall be the secretary and seal of such individual commissioner or board. (a) *The member of the Commission designated by the President as Chairman shall be the chief executive officer of the Commission. It shall be his duty to preside at all meetings and sessions of the Commission, to represent the Commission in all matters relating to legislation and legislative reports, to represent the Commission in all matters requiring conferences or communications with other governmental officers, departments or agencies, and generally to coordinate and organize the work of the Commission in such manner as to promote prompt and efficient disposition of all matters within the jurisdiction of the Commission. In the case of a vacancy in the office of the Chairman of the Commission, or the absence or inability of the Chairman to serve, the Commission may temporarily designate and appoint one of its members to act as Chairman until the cause or circumstance requiring such service shall have been eliminated or corrected.*

(b) *Within sixty days after the enactment of the Communications Act Amendments, 1950, and from time to time thereafter as the Commission may find necessary, the Commission shall organize its legal, engineering, and accounting staff into (1) integrated divisions, to function on the basis of the Commission's principal workload operations; and (2) into such other divisional organizations as the Commission may deem necessary to handle that part of its work load which cuts across more than one integrated division or which does not lend itself to the integrated division set-up. Each such integrated division and divisional organization shall include such legal, engineering, accounting, administrative, and clerical personnel as the Commission may determine to be necessary to perform its functions. The general counsel, the chief engineer, and the chief accountant and their respective assistants shall carry out their respective duties under such rules and regulations as the Commission may prescribe. The Commission shall establish a staff, directly responsible to it, which shall include such legal, engineering, and accounting personnel as the Commission deems necessary, whose duty shall be to prepare such drafts of Commission decisions, orders, and other memoranda as the Commission, in the exercise of its quasi-judicial duties, may from time to time direct: *Provided, That no member of such staff shall participate in a hearing or represent the Commission, directly or indirectly, in any prosecutory or investigatory function or proceeding.**

(c) *Except as provided in section 409 hereof, the Commission, when necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, is hereby authorized and directed to assign or refer any portion of its work, business, or functions to an individual Commissioner or Commissioners or to a board composed of one or more employees of the Commission, to be designated by such order*

for action thereon, and by its further order at any time to amend, modify, or rescind any such order or reference: *Provided*, That this authority shall not extend to duties otherwise specifically imposed by this or any other Act of Congress. Any order, decision, or report made or other action taken pursuant to any such order or reference shall have the same force and effect and may be made, evidenced, and enforced as is made by the Commission: *Provided*, however, That any person aggrieved by any such order, decision, or report may file a petition for review by the Commission, and every such petition shall be passed upon by the Commission. The secretary and seal of the Commission shall be the secretary and seal of such individual Commissioner or board.

(d) Meetings of the Commission shall be held at regular intervals, not less frequently than once each calendar month, at which times the functioning of the Commission and the handling of its work load shall be reviewed and such orders shall be entered and other action taken as may be necessary or appropriate to expedite the prompt and orderly conduct of the business of the Commission with the objective of rendering a final decision (1) within three months from the date of filing in all original application, renewal, and transfer cases and (2) within six months from the final date of the hearing in all hearing cases; and the Commission shall promptly report to the Congress each such case which has been pending before it more than such three- or six-month period, respectively, stating the reasons therefor.

* * * * *

SEC. 307

* * * * *

(d) No license granted for the operation of a broadcasting station shall be for a longer term than three years and no license so granted for any other class of station shall be for a longer term than five years, and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed three years in the case of broadcasting licenses and not to exceed five years in the case of other licenses, but action of the Commission with reference to the granting of such application for the renewal of a license shall be limited to and governed by the same considerations and practice which affect the granting of original applications. *if the Commission finds that public interest, convenience and necessity would be served thereby.*

* * * * *

SEC. 308. (a) *if* The Commission may grant licenses, renewal of licenses, and modification of licenses only upon written application therefor received by it: *Provided*, however, That in cases of emergency found by the Commission, licenses, renewals of licenses, and modifications of licenses, for stations on vessels or aircraft of the United States, may be issued under such conditions as the Commission may impose, without such formal application. Such licenses, however, shall in no case be for a longer term than three months. *The Commission may grant instruments of authorization entitling the holders thereof to construct or operate apparatus for the transmission of energy, or communications, or signals by radio or modifications or renewals thereof, only upon written application therefor received by it: Provided*, That (1) in cases of emergency found by the Commission involving danger to life or property or due to damage to equipment, or (2) during the continuance of any war in which the United States is engaged and when such action is necessary for the national defense or security or otherwise in furtherance of the war effort, the Commission may grant and issue authority to construct or operate apparatus for the transmission of energy or communications or signals by radio during the emergency so found by the Commission or during the continuance of any such war, in such manner and upon such terms and conditions as the Commission shall by regulation prescribe, and without the filing of a formal application, but no such authority shall be granted for a period beyond the period of the emergency requiring it nor remain effective beyond such period: *Provided further*, That the Commission may issue by cable, telegraph, or radio a permit for the operation of a station on a vessel of the United States at sea, effective in lieu of a license until said vessel shall return to a port of the continental United States.

* * * * *

HEARINGS ON APPLICATIONS FOR LICENSES; FORM OF LICENSES; CONDITIONS ATTACHED TO LICENSES

SEC. 309. (a) If upon examination of any application for a station license or for the renewal or modification of a station license the Commission shall determine that public interests, convenience, or necessity would be served by the granting thereof, it shall authorize the issuance, renewal, or modification thereof in

accordance with said finding. In the event the Commission upon examination of any such application does not reach such decision with respect thereto, it shall notify the applicant thereof, shall fix and give notice of a time and place for hearing thereon, and shall afford such applicant an opportunity to be heard under such rules and regulations as it may prescribe.

(b) Such station licenses as the Commission may grant shall be in such general form as it may prescribe, but each license shall contain, in addition to other provisions, a statement of the following conditions to which such license shall be subject:

(1) The station license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein.

(2) Neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of this Act.

(3) Every license issued under this Act shall be subject in terms to the right of use or control conferred by section 606 hereof. *(a) If upon examination of any application provided for in section 308 the Commission shall determine that public interest, convenience, and necessity would be served by the granting thereof, it shall authorize the issuance of the instrument of authorization for which application is made in accordance with said finding.*

(b) If upon examination of any such application the Commission is unable to make the finding specified in subsection (a) of this section, it shall forthwith notify the applicant and other known parties in interest of the grounds and reasons for its inability to make such finding. Such notice, which shall precede formal designation for a hearing, shall advise the applicant and all other known parties in interest of all objections made to the application as well as the source and nature of such objections. Following such notice, the applicant shall be given an opportunity to reply. If the Commission, after considering such reply, shall be unable to make the finding specified in subsection (a) of this section, it shall formally designate the application for hearing on the grounds or reasons then obtaining and shall notify the applicant and all other known parties in interest of such action and the grounds and reasons therefor, specifying with particularity the matters and things in issue but not including issues or requirements phrased generally. The parties in interest, if any, who are not notified by the Commission of its action with respect to a particular application may acquire the status of a party to the proceeding thereon by filing a petition for intervention showing the basis for their interest at any time not less than ten days prior to the date of hearing. Any hearing subsequently held upon such application shall be a full hearing in which the applicant and all other parties in interest shall be permitted to participate but in which both the burden of proceeding with the introduction of evidence upon any issue specified by the Commission, as well as the burden of proof upon all such issues, shall be upon the applicant.

(c) When any instrument of authorization is granted by the Commission without a hearing as provided in subsection (a) hereof, such grant shall remain subject to protest as hereinafter provided for a period of thirty days. During such thirty-day period any party in interest may file a protest under oath directed to such grant and request a hearing on said application so granted. Any protest so filed shall contain such allegations of fact as will show the protestant to be a party in interest and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. The Commission shall, within fifteen days from the date of the filing of such protest, enter findings as to whether such protest meets the foregoing requirements and if it so finds the application involved shall be set for hearing upon the issues set forth in said protest, together with such further specific issues, if any, as may be prescribed by the Commission. In any hearing subsequently held upon such application all issues specified by the Commission shall be tried in the same manner provided in subsection (b) hereof but with respect of all issues set forth in the protest and not specifically adopted by the Commission, both the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the protestant. The hearing and determination of cases arising under this subsection shall be expedited by the Commission and pending hearing and decision the effective date of the Commission's action to which protest is made shall be postponed to the effective date of the Commission's decision after hearing, unless the authorization involved is necessary to the maintenance or conduct of an existing service, in which event the Commission shall authorize the applicant to utilize the facilities or authorization in question pending the Commission's decision after hearing.

(d) Such station licenses as the Commission may grant shall be in such general form as it may prescribe, but each license shall contain, in addition to other provisions, a statement of the following conditions to which such license shall be subject: (1)

The station license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein; (2) neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of this Act; (3) every license issued under this Act shall be subject in terms to the right of use or control conferred by section 606 hereof.

SEC. 310

* * * * *

(b) [The station license required hereby, the frequencies authorized to be used by the licensee, and the rights therein granted shall not be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of, or indirectly by transfer of control of any corporation holding such license, to any person, unless the Commission shall, after securing full information, decide that said transfer is in the public interest, and shall give its consent in writing.] *No instrument of authorization granted by the Commission entitling the holder thereof to construct or to operate radio apparatus and no rights granted thereunder shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly, or by transfer of control of any corporation holding such instrument of authorization, to any person except upon application to the Commission and upon finding by the Commission that the proposed transferee or assignee possesses the qualifications required of an original permittee or licensee. The procedure for handling such application shall be that provided in section 309.*

REFUSAL OF LICENSES AND PERMITS IN CERTAIN CASES

SEC. 311. The Commission is hereby directed to refuse a station license and/or the permit hereinafter required for the construction of a station to any person (or to any person directly or indirectly controlled by such person) whose license has been revoked by a court under section 313, and is hereby authorized to refuse such station license and/or permit to any other person (or to any person directly or indirectly controlled by such person) which has been finally adjudged guilty by a Federal court of unlawfully monopolizing or attempting unlawfully to monopolize, radio communication, directly or indirectly, through the control of the manufacture or sale of radio apparatus, through exclusive traffic arrangements, or by any other means, or to have been using unfair methods of competition. The granting of a license shall not estop the United States or any person aggrieved from proceeding against such person for violating the law against unfair methods of competition or for a violation of the law against unlawful restraints and monopolies and/or combinations, contracts, or agreements in restraint of trade, or from instituting proceedings for the dissolution of such corporation.]

REVOCATION OF LICENSES; CEASE-AND-DESIST ORDERS

SEC. 312. (a) Any station license may be revoked for false statements either in the application or in the statement of fact which may be required by section 308 hereof, or because of conditions revealed by such statements of fact as may be required from time to time which would warrant the Commission in refusing to grant a license on an original application, or for failure to operate substantially as set forth in the license, or for violation of or failure to observe any of the restrictions and conditions of this Act or of any regulation of the Commission authorized by this Act or by a treaty ratified by the United States: *Provided, however, That no such order of revocation shall take effect until fifteen days' notice in writing thereof, stating the cause for the proposed revocation, has been given to the licensee. Such licensee may make written application to the Commission at any time within said fifteen days for a hearing upon such order, and upon the filing of such written application said order of revocation shall stand suspended until the conclusion of the hearing conducted under such rules as the Commission may prescribe. Upon the conclusion of said hearing the Commission may affirm, modify, or revoke said order of revocation.*

(b) Any station license hereafter granted under the provisions of this Act or the construction permit required hereby and hereafter issued, may be modified by the Commission either for a limited time or for the duration of the term thereof, if in the judgment of the Commission such action will promote the public interest, convenience, and necessity, or the provisions of this Act or of any treaty ratified by the United States will be more fully complied with: *Provided, however, That no such order of modification shall become final until the holder of such outstanding license or permit shall have been notified in writing of the proposed action and*

the grounds or reasons therefor and shall have been given reasonable opportunity to show cause why such an order of modification should not issue. (a) Any station license may be revoked (1) because of conditions coming to the attention of the Commission since the granting of such license which would have warranted the Commission in refusing to grant such license, or (2) for violation or failure to observe any of the restrictions or provisions of a treaty ratified by the United States, or (3) for violation of or failure to observe the terms and conditions of any cease-and-desist order issued by the Commission pursuant to subsection (b) hereof. The Commission may institute a revocation proceeding by serving upon the licensee an order to show cause why its license should not be revoked. Said orders shall contain a statement of the particulars and matters with respect to which the Commission is inquiring and shall call upon the licensee to appear before the Commission at a time and place therein stated, but in no event less than thirty days after receipt of such notice, and give evidence upon the matter specified in said order: *Provided*, That where safety of life or property is involved, the Commission may by order provide for a shorter period of notice. If, after hearing, or a waiver thereof by the licensee, the Commission determines that a revocation order should issue, it shall make a report in writing stating the findings of the Commission and the grounds and reasons therefor and shall cause the same to be served on said licensee, together with such order.

(b) Where any person (1) has failed to operate substantially as set forth in an instrument of authorization, or (2) has failed to observe any of the restrictions and conditions of this Act or of a treaty ratified by the United States, or (3) has violated or failed to observe any rule or regulation of the Commission authorized by this Act, the Commission may institute a proceeding by serving upon such person an order to show cause why it should not cease and desist from such action. Said order shall contain a statement of the particulars and matters with respect to which the Commission is inquiring and shall call upon such person to appear before the Commission at a time and place therein stated, but in no event less than thirty days after receipt of such notice, and give evidence upon the matter specified in said order. If, after hearing, or a waiver thereof by such person, the Commission determines that a cease-and-desist order should issue, it shall make a report in writing stating the findings of the Commission and the grounds and reasons therefor and shall cause the same to be served on said person, together with such order.

* * * * *

MODIFICATION BY COMMISSION OF CONSTRUCTION PERMITS OR LICENSES

SEC. 330. (a) Any station license granted under the provisions of this Act or the construction permit required thereby may be modified by the Commission either for a limited time or for the duration of the term thereof, if in the judgment of the Commission such action will promote the public interest, convenience, and necessity, or the provisions of this Act or of any treaty ratified by the United States will be more fully complied with: *Provided*, That no such order of modification shall become final until the holder of such outstanding license or permit shall have been notified in writing of the proposed action and the grounds and reasons therefor, and shall have been given reasonable opportunity, in no event less than thirty days, to show cause by public hearing, if requested, why such order of modification should not issue: *Provided*, That where safety of life or property is involved, the Commission may by order provide for a shorter period of notice.

(b) In any case where a hearing is conducted pursuant to the provisions of this section or section 312, both the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the Commission.

LIMITATIONS ON QUASI-JUDICIAL POWERS

SEC. 331. No license granted and issued under the authority of this Act for the operation of any radio station shall be modified by the Commission, except in the manner provided in section 330 (a) hereof, and no such license may be revoked, terminated, or otherwise invalidated by the Commission, except in the manner and for the reasons provided in section 312 (a) hereof. When application is made for renewal of an existing license, which cannot be disposed of by the Commission under the provisions of section 309 (a) hereof, the Commission shall employ the procedure specified in section 309 (b) hereof, except that in any hearing subsequently held upon such application the burden of proceeding with the evidence and of substantiating the grounds and reasons specified by the Commission in the formal notice of hearing issued pursuant to section 309 (b) hereof shall be upon the appropriate division established by the Commission under the provisions of section 5 (b) hereof or upon any party or parties who may oppose such renewal; but as a condition precedent to the renewal the Commission shall

affirmatively find that the public interest, convenience and necessity will be served by such renewal. Pending such hearing and final decision pursuant thereto the Commission shall continue such license in effect.

* * * * *

TITLE IV—PROCEDURAL AND ADMINISTRATIVE PROVISIONS

[JURISDICTION TO ENFORCE ACT AND ORDERS OF COMMISSION]

JURISDICTION TO ENFORCE ACT AND ORDERS OF COMMISSION; DECLARATORY ORDERS

SEC. 401

* * * * *

(e) *The Commission is authorized, in its sound discretion and with like effect as in the case of other orders, to issue a declaratory order to terminate a controversy or remove uncertainty. Notwithstanding the provisions of section 5 (d) of the Act of June 11, 1946 (60 Stat. 239) declaratory orders shall be issued only upon the petition of, and after notice to and opportunity for hearing by, persons who are bona fide applicants for, or the holders of, construction permits or licenses, or otherwise subject to the jurisdiction of the Commission, and shall not bind or affect the rights of persons who are not parties to such proceedings. Such orders shall be available to declare rights and other legal relations arising under the provisions of any treaty ratified by the United States, under any provision of this Act, or under any order, rule, regulation, term, condition, limitation, or requirement issued, promulgated, or adopted by the Commission, whether or not involving failure to comply therewith.*

PROCEEDINGS TO ENFORCE OR SET ASIDE THE COMMISSION'S ORDERS—APPEAL IN CERTAIN CASES

Sec. 402 [(a) The provisions of the Act of October 22, 1913 (38 Stat. 219), relating to the enforcing or setting aside of the orders of the Interstate Commerce Commission, are hereby made applicable to suits to enforce, enjoin, set aside, annul, or suspend any order of the Commission under this Act (except any order of the Commission granting or refusing an application for a construction permit for a radio station, or for a radio station license, or for renewal of an existing radio station license, or for modification of an existing radio station license, or suspending a radio operator's license³⁰) and such suits are hereby authorized to be brought as provided in that Act.

[(b) An appeal may be taken, in the manner hereinafter provided, from decisions of the Commission to the Court of Appeals of the District of Columbia in any of the following cases:

[(1) By any applicant for a construction permit for a radio station, or for a radio station license, or for renewal of an existing radio station license, or for modification of an existing radio station license, whose application is refused by the Commission.

[(2) By any other person aggrieved or whose interests are adversely affected by any decision of the Commission granting or refusing any such application.

[(3) ³⁷ By any radio operator whose license has been suspended by the Commission.

[(c) Such appeal shall be taken by filing with said court within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Commission. Unless a later date is specified by the Commission as part of its decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Commission in the city of Washington. The Commission shall thereupon immediately, and in any event not later than five days from the date of such service upon it, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Commission to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of the appellant's statement of reasons for said appeal at the office of the Commission in the city of Washington. Within thirty days after the filing of said appeal the Commission shall file with the court the originals or certified copies of all papers and evidence presented to it upon the application or order³⁸ involved, and also a like copy of its decision thereon, and shall within thirty days thereafter file a full statement in writing of the facts and grounds for its decision as found and given by it, and a list of all interested persons to whom it has mailed or otherwise delivered a copy of said notice of appeal.

[(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party, together with proof of service of true copies of said notice and statement, both upon appellant and upon the Commission. Any person who would be aggrieved or whose interests would be adversely affected by a reversal or modification of the decision of the Commission complained of shall be considered an interested party.]

[(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision of the Commission, and in event the court shall render a decision and enter an order reversing the decision of the Commission, it shall remand the case to the Commission to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Commission are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States upon writ of certiorari on petition therefor under section 240 of the Judicial Code, as amended by appellant, by the Commission, or by any interested party intervening in the appeal.]

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and/or other interested parties intervening in said appeal, but not against the Commission, depending upon the nature of the issues involved upon said appeal and the outcome thereof. (a) *The provisions of the Act of June 25, 1948 (62 Stat. 992), as amended, relating to the enforcing or setting aside of orders of the Interstate Commerce Commission are hereby made applicable to suits to enforce, enjoin, set aside, annul, or suspend any order of the Commission under this Act (except those appealable under the provisions of subsection (b) hereof), and such suits are hereby authorized to be brought as provided in that Act. In addition to the venues specified in that Act, suits to enjoin, set aside, annul, or suspend, but not to enforce, any such order of the Commission may also be brought in the United States District Court for the District of Columbia.*

(b) Appeals may be taken from decisions and orders of the Commission to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) *By any applicant for any instrument of authorization required by this Act, or the regulations of the Commission made pursuant to this Act, for the construction or operation of apparatus for the transmission of energy, or communications, or signals by radio, whose application is denied by the Commission.*

(2) *By any applicant for the renewal or modification of any such instrument of authorization whose application is denied by the Commission.*

(3) *By any party to an application for authority to assign any such instrument of authorization or to transfer control of any corporation holding such instrument of authorization whose application is denied by the Commission.*

(4) *By any applicant for the permit required by section 325 of this Act whose application has been denied by the Commission or any permittee under said section whose permit has been revoked by the Commission.*

(5) *By the holder of any instrument of authorization required by this Act, or the regulations of the Commission made pursuant to this Act, for the construction or operation of apparatus for the transmission of energy, or communications or signals by radio, which instrument has been modified or revoked by the Commission.*

(6) *By any other person who is aggrieved or whose interests are adversely affected by any order of the Commission granting or denying any application described in paragraphs (1), (2), (3), and (4) hereof.*

(7) *By any person upon whom an order to cease and desist has been served under section 312 (b) of this Act.*

(8) *By any party to a proceeding under section 401 who is aggrieved or whose interests are adversely affected by a declaratory order entered by the Commission.*

(9) *By any radio operator whose license has been suspended by the Commission.*

(c) *Such appeal shall be taken by filing a notice of appeal with the court within thirty days after the entry of the order complained of. Such notice of appeal shall contain a concise statement of the nature of the proceedings as to which the appeal is*

taken; a concise statement of the reasons on which the appellant intends to rely, separately stated and numbered; and proof of service of a true copy of said notice and statement upon the Commission. Upon filing of such notice, the court shall have exclusive jurisdiction of the proceedings and of the questions determined therein and shall have power, by order, directed to the Commission or any other party to the appeal, to grant such temporary relief as it may deem just and proper. Orders granting temporary relief may be either affirmative or negative in their scope and application so as to permit either the maintenance of the status quo in the matter in which the appeal is taken or the restoration of a position or status terminated or adversely affected by the order appealed from and shall, unless otherwise ordered by the court, be effective pending hearing and determination of said appeal and compliance by the Commission with the final judgment of the court rendered in said appeal.

(d) Upon the filing of any such notice of appeal the Commission shall, not later than five days after the date of service upon it, notify each person shown by the records of the Commission to be interested in said appeal of the filing and pendency of the same and shall thereafter permit any such person to inspect and make copies of said notice and statement of reasons therefor at the office of the Commission in the city of Washington. Within thirty days after the filing of an appeal, the Commission shall file with the court a copy of the order complained of, a full statement in writing of the facts and grounds relied upon by it in support of the order involved upon said appeal, and the originals or certified copies of all papers and evidence presented to and considered by it in entering said order.

(e) Within thirty days after the filing of an appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party, together with proof of service of true copies of said notice and statement, both upon appellant and upon the Commission. Any person who would be aggrieved or whose interest would be adversely affected by a reversal or modification of the order of the Commission complained of shall be considered an interested party.

(f) The record and briefs upon which any such appeal shall be heard and determined by the court shall contain such information and material, and shall be prepared within such time and in such manner as the court may by rule prescribe.

(g) At the earliest convenient time the court shall hear and determine the appeal upon the record before it in the manner prescribed by section 10 (e) of the Act of June 11, 1946 (60 Stat. 243).

(h) In the event that the court shall render a decision and enter an order reversing the order of the Commission, it shall remand the case to the Commission to carry out the judgment of the court and it shall be the duty of the Commission, in the absence of the proceedings to review such judgment, to forthwith give effect thereto, and unless otherwise ordered by the court, to do so upon the basis of the proceedings already had and the record upon which said appeal was heard and determined.

(i) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, or other interested parties intervening in said appeal, but not against the Commission, depending upon the nature of the issues involved upon said appeal and the outcome thereof.

(j) The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States as hereinafter provided—

(1) an appeal may be taken direct to the Supreme Court of the United States in any case wherein the jurisdiction of the court is invoked, or sought to be invoked, for the purpose of reviewing any decision or order entered by the Commission in proceedings instituted by the Commission which have as their object and purpose the revocation of an existing license or any decision or order entered by the Commission in proceedings which involve the failure or refusal of the Commission to renew an existing license. Such appeal shall be taken by the filing of an application therefor or notice thereof within thirty days after the entry of the judgment sought to be reviewed, and in the event such an appeal is taken the record shall be made up and the case docketed in the Supreme Court of the United States within sixty days from the time such an appeal is allowed under such rules as may be prescribed.

(2) in all other cases, review by the Supreme Court of the United States shall be upon writ of certiorari on petition therefor under section 240 of the Judicial Code, as amended, by the appellant, by the Commission, or by any interested party intervening in the appeal, or by certification by the court pursuant to the provision of section 239 of the Judicial Code, as amended.

* * * * *

[REHEARING BEFORE COMMISSION]

REHEARINGS BEFORE COMMISSION

SEC. 405. [After a decision, order, or requirement has been made by the Commission in any proceeding, any party thereto may at any time make application for rehearing of the same, or any matter determined therein, and it shall be lawful for the Commission in its discretion to grant such a rehearing if sufficient reason therefor be made to appear: *Provided, however,* That in the case of a decision, order, or requirement made under title III, the time within which application for rehearing may be made shall be limited to twenty days after the effective date thereof, and such application may be made by any party or any person aggrieved or whose interests are adversely affected thereby. Applications for rehearing shall be governed by such general rules as the Commission may establish. No such application shall excuse any person from complying with or obeying any decision, order, or requirement of the Commission, or operate in any manner to stay or postpone the enforcement thereof, without the special order of the Commission. In case a rehearing is granted, the proceedings thereupon shall conform as nearly as may be to the proceedings in an original hearing, except as the Commission may otherwise direct; and if, in its judgment, after such rehearing and the consideration of all facts, including those arising since the former hearing, it shall appear that the original decision, order, or requirement is in any respect unjust or unwarranted, the Commission may reverse, change, or modify the same accordingly. Any decision, order, or requirement made after such rehearing, reversing, changing, or modifying the original determination, shall be subject to the same provisions as an original order.] (a) After a decision, order, or requirement has been made by the Commission in any proceeding, any party thereto, or any other person aggrieved or whose interests are adversely affected thereby, may petition for rehearing. Petitions for rehearing must be filed within thirty days from the entry of any decision, order, or requirement complained of and except for those cases in which the decision, order, or requirement challenged is necessary for the maintenance or conduct of an existing service, the filing of such a petition shall automatically stay the effective date thereof until after decision on said petition. The filing of a petition for rehearing shall not be a condition precedent to judicial review of any such decision, order, or requirement, except where the party seeking such review was not a party to the proceedings resulting in such decision, order, or requirement, or where the party seeking such review relies on questions of fact or law upon which the Commission has been afforded no opportunity to pass. Rehearings shall be governed by such general rules as the Commission may establish: *Provided, That,* except for newly discovered evidence or evidence otherwise available only since the original taking of evidence, no evidence shall be taken on any rehearing. The time within which an appeal must be taken under section 402 (b) hereof shall be computed from the date upon which orders are entered disposing of all petitions for rehearing filed in any case, but any decision, order, or requirement made after such rehearing reversing, changing, or modifying the original determination shall be subject to the same provisions with respect to rehearing as an original order.

* * * * *

GENERAL PROVISIONS RELATING TO PROCEEDINGS—WITNESSES AND DEPOSITIONS

SEC. 409. (a) [Any member or examiner of the Commission, or the director of any division, when duly designated by the Commission for such purpose, may hold hearings, sign and issue subpoenas, administer oaths, examine witnesses, and receive evidence at any place in the United States designated by the Commission; except that in the administration of title III an examiner may not be authorized to exercise such powers with respect to a matter involving (1) a change of policy by the Commission, (2) the revocation of a station license, (3) new devices or developments in radio, or (4) a new kind of use of frequencies. In all cases heard by an examiner the Commission shall hear oral arguments on request of either party.] Notwithstanding the provisions of section 7 (a) of the Act of June 11, 1946 (60 Stat. 241), all cases in which a hearing is required by the provisions of this Act or by other applicable provisions of law shall be conducted by the Commission or by one or more examiners provided for in section 11 of the Act of June 11, 1946 (60 Stat. 244) designated by the Commission. The officer or officers presiding at any such hearing shall have the same authority and duties exercised in the same manner and subject to the same conditions specified in section 7 of that Act.

(b) Notwithstanding the provisions of section 8 of the Act of June 11, 1946 (60 Stat. 242), the officer or officers conducting a hearing shall prepare and file an intermediate report. In all such cases the Commission shall permit the filing of exceptions to such intermediate report by any party to the proceeding and shall, upon request, hear oral argument on such exceptions before the entry of any final decision, order, or requirement. All decisions, including the intermediate report, shall become a part of the record and shall include a statement of (1) findings and conclusions, as well as the basis therefor, upon all material issues of fact, law, or discretion, presented on the record; and (2) the appropriate decision, order, or requirement.

(c) Notwithstanding the provisions of section 5 (c) of the Act of June 11, 1946 (60 Stat. 239), no officer conducting a hearing pursuant to (a) and (b) hereof shall, except to the extent required for the disposition of ex parte matters as authorized by law, consult any person or party on any fact or question of law in issue, unless upon notice and opportunity for all parties to participate; nor shall such officer be responsible to or subject to the supervision or direction of any other person engaged in the performance of investigative, prosecuting, or other functions for the Commission or any other agency of the Government. No person or persons engaged in the performance of investigative or prosecuting functions for the Commission or for any other agency of the Government shall participate or advise in the proceedings described in (a) and (b) hereof, except as a witness or counsel in public proceedings. The Commission shall not employ attorneys or other persons for the purpose of reviewing transcripts or preparing intermediate reports of final decisions, except that this shall not apply to the review staff provided by subsection 5 (b) and to legal assistants assigned separately to a Commission member who may, for such Commission member, review such transcripts and prepare such drafts. No intermediate report shall be reviewed either before or after its publication by any person other than a member of the Commission or his legal assistant, as above provided, and no examiner, who conducts a hearing, shall advise or consult with the Commission with respect to his intermediate report or with respect to exceptions taken to his findings, rulings, or recommendations.

[(b)] (d) For the purposes of this Act the Commission shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all books, papers, schedules of charges, contracts, agreements, and documents relating to any matter under investigation. Witnesses summoned before the Commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

[(c)] (e) Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpoena the Commission, or any party to a proceeding before the Commission, may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents under the provisions of this section.

[(d)] (f) Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any common carrier or licensee or other person, issue an order requiring such common carrier, licensee, or other person to appear before the Commission (and produce books and papers if so ordered) and give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

[(e)] (g) The testimony of any witness may be taken, at the instance of a party, in any proceeding or investigation pending before the Commission, by deposition, at any time after a cause or proceeding is at issue on petition and answer. The Commission may also order testimony to be taken by deposition in any proceeding or investigation pending before it, at any stage of such proceeding or investigation. Such depositions may be taken before any judge of any court of the United States, or any United States commissioner, or any clerk of a district court, or any chancellor, justice, or judge of a supreme or superior court, mayor, or chief magistrate of a city, judge of a county court, or court of common pleas of any of the United States, or any rotary public, not being of counsel or attorney to either of the parties, nor interested in the event of the proceeding or investigation. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, as either may be nearest, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce documentary evidence, in the same manner as witnesses may be compelled to appear and

testify and produce documentary evidence before the Commission, as hereinbefore provided.

[(f)] (h) Every person deposing as herein provided shall be cautioned and sworn (or affirm, if he so request) to testify the whole truth, and shall be carefully examined. His testimony shall be reduced to writing by the magistrate taking the deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent.

[(g)] (i) If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken before an officer or person designated by the Commission, or agreed upon by the parties by stipulation in writing to be filed with the Commission. All depositions must be promptly filed with the Commission.

[(h)] (j) Witnesses whose depositions are taken as authorized in this Act, and the magistrate or other officer taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

[(i)] (k) No person shall be excused from attending and testifying or from producing books, papers, schedules of charges, contracts, agreements, and documents before the Commission, or in obedience to the subpoena of the Commission, whether such subpoena be signed or issued by one or more Commissioners, or in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of this Act, or of any amendments thereto, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that any individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

[(j)] (l) Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, schedules of charges, contracts, agreements, and documents, if in his power to do so, in obedience to the subpoena or lawful requirement of the Commission, shall be guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than \$100 nor more than \$5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

* * * * *

REMEDIES IN THIS ACT NOT EXCLUSIVE

SEC. 414. Nothing in this Act contained shall in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this Act are in addition to such remedies.

Except as specifically provided in this Act the provisions of the Act of June 11, 1946 (60 Stat. 237) shall apply in all proceedings under this Act.

* * * * *

TITLE 18, U. S. CODE; CHAPTER 63.—MAIL FRAUD

* * * * *

FRAUD BY RADIO

SEC. 1343. Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, shall transmit or cause to be transmitted by means of radio communication or interstate wire communication, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, or whoever operating any radio station for which a license is required by any law of the United States, knowingly permits the transmission of any such communication, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.